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ARIZONA CORPORATION COMMISSION
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November 15, 2010

Arizona Corporation Commission

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Mr. Ernest G. Johnson
Executive Director
Arizona Corporation Commission
1200 West Washington
Phoenix, AZ 85007



Re: Docket Nos. T-02438B-09-0363; T-02761B-09-0363; T-03539A-09-0363; T-03658A-09-0363. Informational Filing of Global Crossing Telecommunications, Inc., Global Crossing North American Networks, Inc., Global Crossing Local Services, Inc. and Global Crossing Telemanagement, Inc. Regarding Their Intent to Provide Security In Connection with Financing

Dear Mr. Johnson:

On July 17, 2009, Global Crossing Telecommunications, Inc., Global Crossing North American Networks, Inc., Global Crossing Local Services, Inc. and Global Crossing Telemanagement, Inc. (collectively, the "Companies" or "Parties"), by their attorneys, filed an application with the Arizona Corporation Commission ("Commission") requesting approval, as required, to provide their guarantee, serve as borrowers or co-borrowers, or to otherwise provide security in connection with financings of up to \$1 billion being arranged for their parent company, Global Crossing Holdings Limited ("Parent") (Parent and the Companies, together the "Borrowers"). The Commission issued an order approving the application on October 30, 2009, *In re Application of Global Crossing Telecommunications, Inc., Global Crossing North American Networks, Inc., Global Crossing Local Services, Inc. and Global Crossing Telemanagement, Inc., for Approval to Encumber Assets in Conjunction with New Financing*, Order, Docket Nos. T-02438B-09-0363, T-02761B-09-0363, T-03539A-09-0363, T-03658A-09-0363, Decision No. 71324 ("Order"). In the initial phase of the financing, the Companies did not borrow the full amount authorized by the Order. Now, the Companies intend to provide their guarantees with respect to new notes in an amount of \$150 million, which are scheduled to be issued as soon as this week. The Companies submit that the new financing falls within the parameters of the financings approved in the Order, authorizing them to provide security in an amount of up to \$1 billion, and that no additional advance approval is required to proceed with

the contemplated instant financing. Although it is the Companies' position that no additional approval is required for this financing, as a courtesy to the Commission, the Companies hereby notify the Commission of the new contemplated financing.¹

The Companies are wholly-owned indirect subsidiaries of Global Crossing North America, Inc., a Delaware corporation, which is in turn a wholly-owned indirect subsidiary of Parent, an exempt company with limited liability organized under the laws of Bermuda (the Companies, Parent, and Global Crossing North America, Inc., collectively "Global Crossing"). The Companies and Global Crossing North America, Inc. are headquartered at 225 Kenneth Drive, Rochester, New York 14623. Parent is headquartered at Wessex House, 1st Floor, 45 Reid Street, Hamilton HM 12, Bermuda, (441) 296-8600. In Arizona, the Companies are authorized to provide intrastate telecommunications services.²

In the Order, the Commission approved the Parties' application in which the Parties sought approval for the Parent and/or the Companies to obtain up to \$1 billion in financing through one or more arrangements with banks, other financial institutions and/or other types of investors (the "Financings"). The application explained that the Financings may occur in multiple tranches at multiple times, and that the exact amounts and terms of each Financing would not be finalized until, in each case, the specific arrangement(s) were completed or shortly before funding of the various Financings, and would reflect the market conditions then existing.

Global Crossing explained that the funding providers would be banks, financial institutions, private lending institutions, private individuals, and/or other institutions, either individually or as a consortium, and that any maturity date would be subject to negotiation and depend on then current credit conditions. The application explained that any interest rate would likely be the market rate and not determined until such time as each Financing was consummated. With respect to security for the Financings, the application explained that the Companies may provide guarantees. The Parties described that the proceeds would be available to repay existing debt.

In 2009, the Parties engaged in a financing in which they gave guarantees as security for an amount of \$750 million, consistent with the terms and conditions outlined in the Companies' application. The instant financing is a bond offering of \$150 million in notes. Again, the terms are consistent with those outlined in the application. Together, the total amount of the financings falls below the approved level of \$1 billion.

¹ This letter is submitted without prejudice to the Companies' position that any financing transactions described in the earlier application and in this letter are beyond the jurisdiction of the state telecommunications regulatory commissions. *See, e.g., State ex rel. Utils. Comm'n v. S. Bell Tel. & Tel.*, 207 S.E.2d 772, *aff'd* 217 S.E.2d 543 (N.C. 1975).

² The Companies are authorized to provide intrastate telecommunications services pursuant to Certificates of Convenience and Necessity granted by the Commission in Decision Nos. 54505 (Global Crossing Telecommunications); 60143 (Global Crossing North American Networks); 61213 (Global Crossing Telemanagement, Inc.) and 61622 (Global Crossing Local Services).

As required by the Order, the Parties will submit copies of the executed loan documents to the Utilities Division and file notice of this submission with Docket Control as soon after closing as practicable but not more than 60 days after the transaction is consummated.

WHEREFORE, the Companies respectfully submit this filing for the Commission's information. However, should the Commission have any questions, do not hesitate to contact the undersigned.

Respectfully submitted,

Global Crossing Telecommunications, Inc.
Global Crossing North American Networks, Inc.
Global Crossing Local Services, Inc.
Global Crossing Telemanagement, Inc.

By: Jan S. Brule

Their Attorney